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AIR MAIL

29 October 1953

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Dear

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1. I have looked into the two administrative problems covered by your [redacted] dated 18 September, and find that our situation is as indicated below.

2. a. Loans to KUBARK personnel from official government funds, particularly to staff employees and staff agents, for personal reasons are prohibited. I believe that the reasons for this are obvious. *

b. Loans to agents, other than staff agents, are not impossible when fundamentally operational purposes are involved. If it should be determined, after careful consideration and review, that a loan to an agent would be warranted from a standpoint of establishing essential strengthening of our control, the provisions of para.

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[redacted] which is quoted below, can be considered sufficiently flexible to provide this authority:

"Special one-time payments such as incentive payments, rewards or bonuses which may not be anticipated at the time the contract or memorandum of intent is written, may be approved by the Chief of Station provided Headquarters allotment of funds is sufficient to cover the expense."

c. This authority should, of course, be used sparingly and with good judgment in each case.

3. a. We are quite sympathetic to the widest possible latitude in connection with establishing eligibility of our personnel for home leave purposes, and I wish to assure you that our present regulation on this subject has not been arrived at on any arbitrary basis. The literal statement in the statute governing home leave requires "two years' continuous service abroad...". Inasmuch as reimbursement from Government funds is involved in carrying out the provisions of this statute, the Comptroller General has the power to rule on any interpretation of the intent and meaning of "continuous service". For this reason it has been necessary for us to obtain a ruling from the Comptroller General prior to each instance of relaxation of an exact, literal interpretation of the law. Our experience in dealing with the Comptroller General on problems of this nature has lead us

* For normal personal loans we have the KUBARK Credit Union which is available for the requirements of our staff personnel.

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to a conclusion in connection with the home leave problem that a request for a favorable ruling on a further relaxation of the break in service principle to cover leave taken in the U. S. for purely personal reasons at personal expense, could result in an unfavorable ruling, and possibly even a review of the favorable rulings previously obtained. For this reason we have been reluctant to reopen this problem with the Comptroller General.

b. ODACID also informs us that they have not requested an opinion from the Comptroller General to cover such cases, and that they are as reluctant as we to request such a ruling.

c. Our General Counsel is again studying this problem with a view to advising the Director as to whether--

(1) He can determine any further basis not heretofore considered which might warrant a more favorable ruling and change of regulation within KUBARK without a further opinion from the Comptroller General, or

(2) Whether, in his opinion, any further relaxation must be based on an official ruling obtained from the Comptroller General.

d. We expect a legal opinion on this matter in the immediate future, and if this opinion involves a request to the Comptroller General, the Director will, of course, have to make a decision as to whether he desires this question to be presented for an official ruling. I will inform you of further developments as they take place.

4. I trust that the above information will be of assistance to you.

Sincerely,

/s/
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[Redacted Signature]

DD/P-ADMIN:LTS:efb (28 Oct 53)

Dist:

Orig. & 1 - Addressee

1 - Gen. Counsel (Attn. [Redacted])

2 - DD/P

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